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2 April 2019

Dear Victoria

**Electricity North West response to Ofgem’s proposal to make modifications to the Electricity Distribution Regulatory Instructions and Guidance**

Thank you for the opportunity to respond to proposed modifications to the Electricity Distribution Regulatory Instructions and Guidance (RIGs).

We have been fully involved in the various working groups and have provided our input and views throughout this process. As a result of the positive engagement during the working group process we have limited comments on this consultation.

Taking each element in turn, we provide our comments as below, and are commenting by exception only.

**Annex B – Cost & Volume**

Three new items have been identified which appear to have occurred as a result of other amendments.

Table	Comment
Cost and Volumes Reporting Pack - M17 and I2 PCFM inputs	The links in rows 16, 17 and 18 on the M17 table need to be updated to the "I2 - PCFM Inputs Nominal New" tab instead of the OLD one
Cost and Volumes Reporting Pack - I2 PCFM inputs and CV25/CV25a/CV25b/CV25c/CV25d tables	The links from the CV25/CV25a/CV25b/CV25c/CV25d tables into the "I2 - PCFM Inputs Nominal New" tab need updating for the pension rows (Links still need finalising in CV25 tables)
Cost and Volumes Reporting Pack - M17	Formula changed in cell U15 needs to be corrected. Instead of =IFERROR((-SUM('C24 - Related Party Margin'!BH45:BN45))*'I6 - RPI'!AM\$11,) it should be =IFERROR((-SUM('C24 - Related Party Margin'!BV45:CB45))*'I6 - RPI'!AM\$11,)

**Annex G – Connections**

Table	Comment
Connections Reporting Pack – Tab Changes log	Row 11 has an error. To correct it the format has to be changed to General and then AutoFit row height.

## Annex D – Secondary Deliverables

Table	Comment
Secondary Deliverables Commentary (Issue 5)	Whilst the table itself has been corrected to show HCT_HV, the table of contents is still showing incorrectly as: Health and Criticality Tracker for HV (HCT_LV)
Secondary Deliverables Commentary	The commentary is showing Version 4 rather than version 5.
Secondary Deliverables Reporting Pack – Summary by Voltage tab	The formulae changed are showing as linked to an Ofgem employee file rather than a stand-alone formula.
Secondary Deliverables Guidance	Within the guidance notes there is no reference to the new Data Assurance tab. We would suggest these be added after the section on Asset Count Check on page 26.


## Annex L – Regulatory Financial Performance Reporting

Table	Comment
RFPR Reporting Pack Table R7	The inflation adjustment on row 37 is calculated on a gross debt basis. We believe this should be on a net debt basis.
RFPR Reporting Pack Table R7	Some of the adjustments in the “Adjustments to be applied to Assumed Finance cost for performance assessment” (row 46 onwards) are inflation related and should appear before the inflation adjustment on row 37 for consistency.
RFPR Guidance Document	Page references for tables R6, R7, R7a, R8, R8a, R10 need updating. R10 – there are no instructions for rows 85-88.
RFPR Guidance Document	Para 1.22 requires “The submission must be accompanied by a letter (or part of an overall RIGs sign-off letter) signed by a director on behalf of the Licensee confirming that the data is accurate in all material respects and has been provided in accordance with the RFPR RIGs.”  We do not believe this is required as all RIGs submissions are already covered by DAG requirements which we believe is sufficient. The covering letter would be an unnecessary duplication and would not provide any further level of assurance to the process.
RFPR Guidance Document	Section 1.20 - we do not support <u>publishing</u> by 31st July. Any potential changes as a result of the SQ process following our 31st July submission could result in conflicting information being in the public domain. To avoid this we suggest publishing the RFPR post the SQ process. For ED, 31st October would align with the existing Business Plan Commitment Reporting deadline under SLC 50.
RFPR Guidance Document	Sections 1.27 & 1.29 – we do not support the inclusion of section 1.29 as it is currently written. It suggests that regardless of whether the company thinks the information is commercially sensitive, Ofgem can elect to publish the information resulting in section 1.27 being ineffectual. We believe this could lead to possible third party complications and challenges.
RFPR Guidance Document	Section 3.4 – we do not support including narrative around executive remuneration in the RFPR commentary and do not see the relevance of this to regulatory performance.
RFPR Guidance Document	Appendices (Dividend forecasts) – we do not support publication of forecast dividends which is both commercially sensitive and by its very nature an estimate at a point in time which could give rise to future unintended consequences.

Finally, we note the closing date for consultation responses is 5 April 2019, and would highlight that two of the items under this suite of reporting; QOS Interruptions and QOS Interruptions Stage Data are both due to be submitted to Ofgem on 30 April 2019. We therefore request that following Ofgem's careful consideration of consultation responses these two in particular are published as soon as is practicable in order to avoid any risk of companies being unable to meet this deadline.

I hope these comments are helpful. Please do not hesitate to contact me if you would like to follow up on any particular aspect of our response.

Yours sincerely

A handwritten signature in black ink that reads "Paul Auckland". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

**Paul Auckland**  
**Head of Economic Regulation**